United Nations A/52/6 (Sect. 11B)

General Assembly
Fifty-second session

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Proposed programme budget for the biennium 1998-1999*

Part IV International cooperation for development

Section 11B
International Trade Centre UNCTAD/WTO
(Programme 9 of the medium-term plan for the period 1998-2001)

* The present document contains section 11B of the proposed programme budget for the biennium 1998-1999. The complete proposed programme budget will subsequently be issued in final printed form as *Official Records of the General Assembly, Fifty-second Session, Supplement No. 6* (A/52/6/Rev.1).

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Section 11B
International Trade Centre UNCTAD/WTO
(Programme 9 of the medium-term plan for the period 1998-2001)

11B.1 The International Trade Centre UNCTAD/GATT (ITC) was established on 1 January 1968, to be operated jointly and in equal partnership by the former General Agreement on Tariffs and Trade (GATT) and the United Nations Conference on Trade and Development (UNCTAD), following approval of the accord between GATT and UNCTAD by the Contracting Parties to GATT on 22 November 1967 and by the General Assembly in its resolution 2297 (XXII) of 12 December 1967. Since 1995 GATT responsibilities have been taken over by World Trade Organization (WTO).

11B.2 The intergovernmental body providing overall direction to the work of the Centre is the Joint UNCTAD/WTO Advisory Group on the International Trade Centre, which is open to members of WTO and States members of UNCTAD. The Group reviews the programme of work of the Centre annually and reports to the General Council of WTO and the Trade and Development Board of UNCTAD.

11B.3 The Centre acts as the focal point for all United Nations technical cooperation activities in trade promotion, as affirmed by the Economic and Social Council in its resolution 1819 (LV) of 9 August 1973. In the biennium 1998-1999, the Centre is responsible for subprogramme 6, Institutional development and support services for trade promotion, export development and international purchasing and supply management, and subprogramme 7, Market development and trade information, of programme 9, Trade and development, of the medium-term plan for the period 1998-2001 (A/51/6/Rev.1), as adopted by the General Assembly in its resolution 51/219 of 18 December 1996.

11B.4 The Centre helps developing countries to improve their performance in international trade through export expansion and diversification, and the achievement of greater economy and efficiency in import trade. Its activities cover the development of the institutional infrastructure, including business organizations, for trade promotion and export development, the identification and development of export products, including commodities and markets, the improvement of import operations and techniques and the development of human resources for trade promotion.

11B.5 In an effort to ensure maximum impact, technical cooperation activities of the Centre are directed mainly towards the development of country projects, through which packages of assistance covering several areas are provided. Whenever possible, integrated country projects are linked to regional and interregional projects in related areas in order to increase overall impact.

11B.6 Upon creation of WTO, the Secretary-General of the United Nations and the Director-General of WTO, in an exchange of letters of 29 September 1995 on the relationship between the two organizations, agreed, *inter alia*, to recommend to the responsible intergovernmental organs that the present arrangements governing the status of the Centre as a joint body be confirmed and renewed with the WTO subject to revised budgetary arrangements as called for by the General Council of WTO.

11B.7 The administrative and financial arrangements for ITC were agreed upon between the secretariats of the United Nations and the former GATT in 1974 and reported upon to the General Assembly (A/C.5/1533 and A/C.5/1604). The Assembly took note of the proposed arrangements on 18 December 1974. Under those arrangements ITC was considered as a subsidiary organ of both the United Nations and GATT, the former acting through UNCTAD. The Centre's regular budget was to be financed by the United Nations and GATT in equal parts. The ITC programme budget estimates were reviewed by the Assembly in the context of its consideration of the United Nations biennial proposed programme budgets upon which the

Assembly decided on the level of the appropriation to finance the United Nations contribution to the ITC budget.

11B.8 At its session on 3 April 1995, the WTO General Council decided, *inter alia*, that:

(a) The control function of WTO on the ITC budgetary procedures should be restored;

(b) The ITC budget would be subject to the same preparation and reporting procedures as the WTO budget itself;

(c) The ITC budget would cover a calendar year period and would be presented in Swiss francs;

(d) The ITC budget would be formulated by the ITC secretariat using exchange rates and inflation factors to be decided upon jointly between the ITC and WTO secretariats in consultation with the United Nations.

11B.9 Bearing in mind the annual budget cycle of the Centre, it is proposed that starting with the biennium 1998-1999, the ITC programme budget estimates be submitted to the General Assembly for review and approval on an annual basis, on the understanding that, taking into account the principle of joint responsibility of the United Nations and WTO for funding of the Centre's operations, the proposals to the Assembly on the level of the appropriation to finance the United Nations share of the ITC annual budgets would continue to be based on relevant Assembly resolutions and Financial Regulations and Rules of the United Nations.

11B.10 At this stage, in order to ensure the continuity in funding of the activities mandated for the Centre by the General Assembly in its resolution 51/219 under programme 9, Trade and development, of the medium-term plan for the period 1998-2001, it is proposed to maintain provisionally for the biennium 1998-1999 the appropriation for financing the United Nations share of the ITC budget at its 1996-1997 level, as adopted by the Assembly in its resolution 51/222 A of 18 December 1996 under section 10B of the 1996-1997 programme budget (see table 11B.1 below). That appropriation would be subject to further adjustment by the Assembly following its review of the proposed programme budgets of ITC for 1998 and for 1999 along the lines of paragraph 11B.9 above. Detailed ITC proposed programme budgets for 1998 and for 1999 will be submitted to the Assembly at its fifty-second and fifty-third sessions, respectively.

Table 11B.1 **Summary of requirements (United Nations share)**
(Thousands of United States dollars)

Regular budget

	1994-1995 expenditures	*1996-1997 appropriations*	*Resource growth*		*Total before recosting*	*Recosting*	*1998-1999 estimates*
			Amount	*Percentage*			
International Trade Centre	20 834.5	22 326.6	—	—	22 326.6	(353.2)	21 973.4
Total	**20 834.5**	**22 326.6**	**—**	**—**	**22 326.6**	**(353.2)**	**21 973.4**